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CONTACT: Peggy Kelly McFarland

PHONE: (716) 843-5877

FAX: (716) 551-3051

### **BUFFALO MAN PLEADS GUILTY TO TAX FRAUD and BANK FRAUD**

Buffalo, N.Y. – Corwin Johnson, age 36, of Buffalo, New York, pleaded guilty before U.S. District Judge William M. Skretny, to two charges: Aiding in the Preparation of a Fraudulent Tax Return and Bank Fraud, U.S. Attorney Terrance P. Flynn of the Western District of New York announced today. The former charge carries a maximum penalty of three years imprisonment, a fine of \$250,000, or both, while the latter charge carries a maximum penalty of 30 years imprisonment, a fine of \$1,000,000, or both. In addition, Johnson plead guilty to a violation of his supervised release in a sentence imposed on him by Judge Skretny in another criminal case in 2001.

Assistant U.S. Attorney John E. Rogowski, who handled the case, stated that the defendant, as manager of EZ Income Tax Service, which was located in the Towne Plaza Gardens, on William Street, prepared and filed falsified tax returns, W-2 statements and Schedule C forms to obtain tax refunds for individuals, who were not qualified to receive them <http://www.projectsafechildhood.gov/>. In pleading guilty to the tax fraud offense, Johnson admitted that he engaged in an illegal practice known as “dependant swapping,” in that he arranged for individuals, who had no dependants to claim on their tax returns, to use the names of dependants belonging to other individuals, who did not need to claim the dependants on their own returns. In addition, Johnson also admitted that he created phony W-2 statements and completed fraudulent Schedule C forms in furtherance of the criminal scheme. Johnson admitted that he assisted in the preparation of 8 fraudulent returns for tax years 2002 and 2003, which resulted in the Internal Revenue Service’s issuance of tax refunds totaling \$19,205 more than was legitimately due to the individual taxpayers.

In pleading guilty to the bank fraud offense, Johnson stated that, beginning in June 2004, he used the identity and personal information of an unwitting individual to apply for a residential mortgage loan eventually issued by CitiMortgage in the amount of \$77,600. Johnson further stated that he created fictitious W-2 forms, which purported to show that the unwitting individual was gainfully employed and a good credit risk in order to obtain the loan. The loan was used in December 2003 to purchase a residence at 83 Glenwood Avenue, Buffalo, New York. No payments were ever made to CitiMortgage on the mortgage.

The plea was the culmination of an investigation on the part of Special Agents of the Internal Revenue Service, the U.S. Secret Service, and the U.S. Department of Housing and Urban Development, under the direction of Anne Marie Coons, Special Agent in Charge, Michael Bryant, Special Agent in Charge, and Rene Febles, Special Agent in Charge-Office of Inspector General respectively.

Sentencing is scheduled for August 9, 2007, at 9:00 am EST, in Buffalo, N.Y., in front of U.S. District Judge Skretny.